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INFO RHMFIUU/CDR USPACOM HONOLULU HI  
RUSFNSG/CDR10THASG TORII STATION JA  
RHMFIUU/CG FIRST MAW  
RUHBANB/CG MCB CAMP BUTLER JA  
RUHBBEA/CG THIRD FSSG CAMP KINSER JA  
RUHBABA/CG THIRD MARDIV  
RHMFIUU/COMMARCORBASESJAPAN CAMP BUTLER JA  
RHMFIUU/COMMARFORPAC  
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RUYLBAH/DODSPECREP OKINAWA JA  
RUESDJ/FBIS OKINAWA JA  
RUEHFK/AMCONSUL FUKUOKA PRIORITY 0283  
RUEHNAG/AMCONSUL NAGOYA PRIORITY 0169  
RUEHNH/AMCONSUL NAHA PRIORITY 0934  
RHMFIUU/NAVCRRIMINVSERVRA OKINAWA JA  
RUHBANB/OKINAWA AREA FLD OFC US FORCES JAPAN CP BUTLER JA  
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 0359  
RUEKJCS/SECDEF WASHDC  
RUEHKO/AMEMBASSY TOKYO PRIORITY 0871  
RHHMUNA/USCINCPAC HONOLULU HI  
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SUBJECT: SOME INTEREST IN, BUT NO LOCAL DEMAND FOR, EXPANDED RETURN  
OF FOSTER

(SBU) Summary: As we work toward implementing the Okinawa portion of the alliance transformation and realignment (ATARA) report, the Japanese government has been pressing the United States to return far more of south-central Okinawa's Camp Foster than had been previously agreed. Japanese negotiators (and the ministers whose talking points they write) insistently claim that returning the majority of Camp Foster is essential to Okinawans' perception that ATARA provides a visible benefit to them. ConGen Naha is skeptical of the claim, as our contacts have not been calling for greater land returns at Camp Foster. The associations representing Camp Fosters' landlords tell us that, while a minority of land owners would like the land returned, they would want it back only under certain conditions, which the central government has heretofore refused. The majority of land owners prefer the steady flow of rent from the central government, and expect to renew their leases in 2012. End summary.

(SBU) As we work to implement the alliance transformation and realignment (ATARA) report, Japan has been pressing the United States to return far more of Camp Foster than had been previously agreed. Negotiators from the Ministry of Defense (MOD) have persistently claimed in working group meetings that returning the majority of Camp Foster is essential to Okinawans' perception that ATARA provides them a visible benefit. We understand that policy-level leaders at the MOD, including the minister, have pushed this same claim with senior personnel at the Office of the Secretary of Defense (OSD). The United States' position has been that, while additional returns of Camp Foster might be possible, it is premature to discuss it before plans for ATARA's agreed consolidation are complete.

(SBU) ConGen Naha was puzzled by the Japanese central

government's claim that most of Camp Foster must be returned to satisfy the Okinawan polity. We were not hearing complaints about ATARA's lack of land returns at Camp Foster, or anywhere else. We decided to survey the people with the largest stake in land returns. Camp Foster overlaps the municipal boundaries of Okinawa City, Ginowan City, Chatan Town, and Kitanakagusuku Village. We spoke with the leadership of the Okinawa Prefectural Federation of Military Land Owners Associations, and the municipal military land owners' associations for each of the host municipalities.

(U) To provide a bit of context, Camp Foster is a multi-use facility, hosting the headquarters U.S. Marine Corps Bases, Japan, U.S. Forces Japan's Okinawa Area Field Office, Awase Golf Course, family residences and Marine barracks, a commissary, post exchange, movie theater, and many other facilities. It is located between Kadena Air Force Base and Marine Corps Air Station (MCAS) Futenma. The total area of Camp Foster is approximately 1,587 acres (642.5 hectares). Camp Foster does not include training facilities for operational forces, and has very little nuisance impact on its host communities. As of 2003, the central government was paying about ¥8.542 billion (US\$79.09 million) rent per year to 4,414 Camp Foster land owners, and paying the salaries of 2,364 Japanese employees at Camp Foster.

(SBU) We spoke with the presidents of the Federation of Okinawa Prefecture Military Land Owners' Associations, Chatan Town Military Land Owners' Association (hosting 40.1% of Camp Foster), Kitanakagusuku Village Military Land Owners' Association (hosting 32.8% of Camp Foster, including Awase Golf Course), Ginowan City Military Land Owners' Association (hosting 24.4%), and Okinawa City Military Land Owners' Association (hosting 2.7%). These associations represent the private owners

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of land on which Camp Foster is located, and who accept rent from the national government. They do not represent protest landowners. Note: "One tsubo" (3.3 m2) land owners purchase tiny plots of base land in order to refuse to take rent. There are approximately 30,000 rent-taking land owners and 3,000 protest landowners in Okinawa. End note.

Current Majority Position: Keep the Rent Coming

(SBU) The associations' leaders unanimously agreed that, for now, the majority of Camp Foster's landlords want to continue receiving rents from the Japanese government, and do not want their land returned to them. The original land owners are elderly, and some receive a large enough income stream from their rent to live on. They have no interest in stopping that stream.

(SBU) Chosho KYUNA, president of the Okinawa Prefectural Federation of Military Land Owners' Associations, estimated that 90% of its associations' members would want to renew their leases with the central government in 2012, when the leases would expire. He and other officers of the Federation were concerned, however, about 3,000-odd one-tsubo protest land owners. Their numbers were increasing as the original land owners passed on. The Federation expected they would do what they could to interfere with the majority's interest in carrying on receiving rents.

(SBU) Choko MAKABE, president of the Chatan Town association, agreed that his members would participate in the lease extensions in 2012, but would demand higher rates, especially for land along route 58. His members felt "cheated" by the last round of extensions, as their land had not appreciated as much as land across the street from them that had been returned and redeveloped. Note: Land from the former Camp Hamby and a returned portion of Camp Lester have become the commercial and governmental core of Chatan Town, and more development is planned. Years passed between return and use, and considerable public and private investment went into developing the area. Military landlords assumed no such risk. End note.

(SBU) The Federation's Kyuna guessed that, over time, more landlords would want their land back. The protest land owners were getting a little of the land as it changed hands, but most the original land owners left their land to multiple heirs, who were "normal" landowners. The second-generation landowners, with smaller plots, received less rent. Thus, they were more interested in eventually having the land returned for their own use. The municipal associations echoed the distinction between elderly and next generation landlords. They all noted, however, that there were more than generational differences at play, especially the likely ease and potential profitability of redevelopment.

#### Mind the Gap

(SBU) All associations' leaders complained bitterly about the central government discontinuing rent payments for most land three years after it was returned by the United States to Japan. Preliminary surveys and negotiations took far longer than three years, so there was a gap between income from rent and profitable after-use. They also noted that infrastructure consumed some portion of all returns, and a larger percentage of small returns, significantly reducing the benefit of getting back the land.

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(SBU) Chatan's Makabe noted that initial land surveys would be required, as nobody actually knew their property boundaries. The Ginowan association president Shinichi MATAYOSHI noted that environmental and cultural surveys took years, and detailed planning had to wait for the results. Masanobu NAKAMA, the vice president of the prefectural federation and a Kin Town Council member, noted that some returned land necessarily went to access roads, power, water and sewer lines, and even for parks, schools and other public facilities. The land owners who retained their land had to appease the land owners who would "lose" their land to public use, in order to get their cooperation in redevelopment. Small area returns were particularly contentious, because over half of the land might go to infrastructure, with too little land to compensate the losers. Nakama estimated that surveying, planning, and negotiating could eat up fifteen years or more before anybody broke ground.

(SBU) Ginowan's Matayoshi said that most of the 600 land owners opposed the return of the Futenma Housing Area, under the second phase of the SACO final report. Since the return would be only 136 acres (55 hectares) of hilly land, compensation would last only three years beyond return. Matayoshi said the association was asking the Okinawa Development Bureau (ODB) to either expand the returned area so that it extended to route 58, or buy the land outright from the private land owners.

(SBU) Jousuke ISA, president of the Kitanakagusuku Village association said his members also opposed the SACO report's return of 14.8 acres (6 hectares) of Kishaba Housing. The village wanted to use over half of the area for roads. The landowners association had requested ODB to make the land "joint use," so that they could continue receiving rents after the area returned to civilian (but largely public) use. Isa's membership is, however, looking forward to building a shopping center once Awase Golf Course is returned pursuant to the SACO final report.

(SBU) Conclusion/Comments: The central government's insistence on the return of substantially more of Camp Foster than we had understood in the ATARA discussions is not based on political necessity in Okinawa. The majority of Camp Foster's landlords hope to extend their leases to the central government in 2012, and intend to bargain for higher rates, especially along the busy route 58 corridor. Elderly land owners are in the majority and want their steady income stream to continue. Second and third-generation land owners may welcome land returns, but even their interest is conditional on their risk/benefit calculations. While it would be an overstatement to say that

nobody in Okinawa wants to see more of Camp Foster returned, it is a priority for very few. We can assure U.S. negotiators and policy makers that expanding the return of Camp Foster is not key to ATARA's success from an Okinawan perspective. We do not speculate on what might be driving the issue in Tokyo. Okinawa's priorities vis a vis land returns are MCAS Futenma, Camp Lester, Naha Military Port and Camp Kinser. End comment.

(U) All conversions are at the rate of Y108/US\$1. Senior Political Specialist Hideo Henzan and Commercial Specialist Akinori Hayashi contributed significantly to this report.  
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